



LOUISIANA
BAPTIST
FOUNDATION

An Agency of the
Louisiana Baptist Convention

Charitable Gift Annuity

Providing a gift to your church or favorite ministry is something you have always wanted to do, but the reality of financial circumstances keeps getting in the way. A Charitable Gift Annuity can help!

A Gift Annuity is a relatively simple contract between a donor and the Louisiana Baptist Foundation. The donor transfers cash or other liquid assets, such as stock, bonds, or mutual funds, to the Foundation; the Foundation pays to the donor a fixed income—an annuity—for life. The amount of the annuity is based on the age of the donor.

After the life of the donor, the remaining balance of the annuity is paid to a ministry selected by the donor. That ministry can be your church, a Baptist institution or ministry, or divided among several ministries.

TYPES OF GIFT ANNUITIES

Gift annuities can be flexible. In each case the remainder goes to a ministry of your choice.

Single-life - Pays an income to you or a person you choose for the life of the individual.

Two-life - Pays income to you and your spouse simultaneously and continues to pay for the life of the surviving spouse.

Deferred - If you are between the ages of 45 and 65, you can establish a gift annuity now and delay the income payments until a future date.



**“ALL CHRISTIANS ARE
BUT GOD’S STEWARDS.
EVERYTHING WE
HAVE IS ON LOAN
FROM THE LORD,
ENTRUSTED TO US FOR
A WHILE TO USE IN
SERVING HIM.**

JOHN MacARTHUR

**THE EARTH IS THE
LORD’S, AND ALL ITS
FULLNESS, THE
WORLD AND THOSE
WHO DWELL THEREIN.**

PSALM 24:1

The Louisiana Baptist Foundation has been assisting donors with Charitable Gift Annuities, Bequests, and other charitable giving arrangements since 1944. Please call to learn more about Multiplying the Ministry God has placed on your heart.

This information is not to be substituted for legal or financial advice. Consult a knowledgeable professional to assist you with your gift planning needs.

For more information on Charitable Gift Annuities and other giving opportunities contact the Foundation.

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318-445-8575 (Fax)
www.LBFinfo.org



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TAX BENEFITS OF A GIFT ANNUITY

Donations to Charitable Gift Annuities offer several tax advantages to you, the donor.

- Gift Annuities qualify for a partial income tax deduction in the year the gift is made. The deduction is based on the amount transferred to the Foundation minus the present value (value in today's dollars) of the projected lifetime annuity.
- A portion of each annuity payment is considered to be "return of principle" during the donor's projected life expectancy and is not subject to income tax. The remainder is taxed as ordinary income. If you exceed your life expectancy, the entire payment then becomes ordinary income.
- Capital gains tax on appreciated securities can be partially avoided at the time of the gift. The remainder of any capital gains tax is spread over time. Federal estate and gift taxes are generally avoided as well.

EXAMPLE OF A GIFT ANNUITY

Mr. Jones, age 75, establishes a Charitable Gift Annuity with the Louisiana Baptist Foundation, naming his church as the beneficiary of the remainder of the funds. His \$10,000 cash gift in exchange for a single-life annuity would provide:

- An annuity rate of 5.8% or \$580 per year for his lifetime;
- \$460 of his annuity income is tax free for the 12 years of his life expectancy. Any income beyond that time is taxed as ordinary income.
- A charitable deduction from his federal income tax is available in the amount of \$4,260.

The rate of income paid from the Gift Annuity is largely determined by the age of the person(s) making the initial donation to the Louisiana Baptist Foundation.

The Louisiana Baptist Foundation uses the American Council on Gift Annuities rate table to offer a suggested rate to the donor. Contact the Foundation for specific information on different types of annuities and associated rates.

Advancing the Kingdom

One dollar at a time. One ministry at a time. One life at a time.